

MARYLAND HEALTH CARE COMMISSION

UPDATE OF ACTIVITIES

March, 2006

DATA SYSTEMS AND ANALYSIS

Maryland Trauma Physician Services Fund

Staff completed processing on-call and uncompensated care applications for payment from the Fund covering the period of July through December 2005. The Fund will reimburse physicians approximately \$1.5 million in uncompensated care and trauma centers about \$1.8 million in on-call grants. Several uncompensated care applications are also currently under review which could increase uncompensated care payments.

Assisted Living Facility Profile Released

Staff completed the update of the Assisted Living Web site containing information on over 300 assisted living facilities. The information available at the site is currently limited to characteristics of the facility, utilization information, and information on costs. Facilities are provided with a logon ID so that they can update information on prices and the services offered. The staff will present an overview of the application after the Commission meeting to Commissioners that are interested in the site.

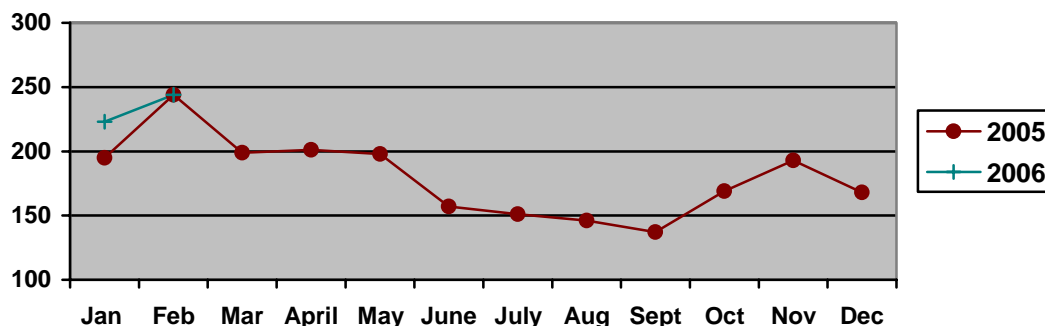
The Assessment Web Site is Operational

The MHCC staff launched its Assessment Web Site to be used by insurance carriers and nursing homes to provide financial information needed for computing the MHCC annual assessment. Insurance carriers and nursing homes were informed of the application and the procedures for submitting information last month. The site streamlines submission of financial data and increases efficiency of the MHCC staff, as redundant entry of the paper forms will be eliminated. Hospitals are exempt from completing the on-line survey, as HSCRC provides MHCC with hospital financial data for the assessment.

Visits to MHCC Consumer Sites Stable in February

MHCC had about 17,000 visits to its web site in February, which was down slightly from the January total. On an average, per day, basis the total visits were up (610 versus 584). There were about 6,800 visits to consumer sites, which, on a daily visits basis, is similar to January. On average, there were 244 visits to consumer-related sites per day in February – right on track with February 2005. Figure 1 presents results from 2005 and the first two months of 2006.

Figure 1 -- Use of MHCC Consumer Sites: HMO, Hospital, Nursing Home, Assisted Living, and Ambulatory Surgery, Visits Per Day



Software Development Board of Dentistry–Web-Based Renewal Initiatives

The MHCC has received a request for assistance in developing a license renewal web site for the Board of Dentistry (BOD). Development is underway to have the site operational by April, 2006. Quality assurance testing will begin later this month, once all the Board's hardware has been configured. Dentists pay \$25 to MHCC as part of the user fee assessment.

Cost and Quality Analysis

Health Insurance Coverage Among Nonelderly Adult Employees of Large Firms

In the 2005 legislative session, the Maryland General Assembly considered the Health Care Disclosure Act (HB 791/SB 471), which would have required the Department of Health and Mental Hygiene (DHMH) to issue a report identifying employers with 25 or more employees enrolled in Maryland's various Medicaid programs. Due to barriers in implementation, SB 471 was not passed. In anticipation that issues outlined in the bill would remain, DHMH asked for assistance from the Commission in analyzing available data. The MHCC and DHMH restricted this study to very large retail employers as the insurance status of employees in these firms has been the focus of many legislators' questions. The principal findings from this analysis are:

- Nonelderly adult workers in large retail firms are less likely to have employer-sponsored coverage than employees in non-retail large firms (67% versus 83%) and 3 times more likely to have public coverage (9% versus 3%),
- Over one-third of employees in large retail work less than 35 hours per week, compared to 10 percent in the large non-retail industry,
- Large retail employees are younger and less than half as likely to have graduated from college, and
- Maryland large retail adult employees did not differ significantly from counterparts in the U.S.

The spotlight confirms that industry-wide challenges exist to providing insurance coverage for retail employees. The spotlight is included with this mailing.

Draft Practitioner Report Slated for Release to the Commission

The staff will release *Practitioner Utilization: Trends within Privately Insured Patients from 2003 to 2004* for Commission review in March. The report, mandated under MHCC's enabling

statute, examines payments to physicians and other health care practitioners for care provided to privately insured Maryland residents under age 65. The analyses are based on the health care claims and encounter data that private health insurance plans serving Maryland residents submit annually to the Commission as part of the Medical Care Data Base. A key objective of this report is to attempt to quantify the level of professional services used by non-elderly privately insured Maryland residents overall and by characteristics of the insurance product and the demographics of the patient.

This year, the report provides information by several new categorizations. Spending and resource use are presented by insurer type (large versus other carrier), age and gender, and by the number of significant diagnoses identified on the claims. In the final section of the report, the staff examines the level of cost sharing for professional services across different coverage types. In that section, spending under consumer-directed health plans (CDHP) is briefly discussed for the first time. CDHPs began to enter the market in a significant way in 2004 and are expected to grow rapidly. The staff will deliver a draft of the report to the Commission early next week.

Analysis of Screening Colonoscopies using the MCDB Will Continue

The Center for Cancer Surveillance and Control at DHMH has requested that the Division of Cost and Quality Analysis provide estimates on the total number of colonoscopies in the State of Maryland, by county, on a quarterly basis for 2004. These results will be used to monitor trends in colonoscopy screening in the state.

PERFORMANCE AND BENEFITS

Benefits and Analysis

Small Group Market

Comprehensive Standard Health Benefit Plan (CSHBP)

At the December meeting, the Commission approved additional changes to the CSHBP as well as the draft regulations. One public comment was submitted on the draft regulations. The Commission will vote at the March meeting to approve the regulations as final. Upon approval, the changes will be implemented effective July 1, 2006.

Annual Mandated Health Insurance Services Evaluation

Mercer's annual review of proposed mandates (as required under §15-1501 of the Insurance Article) has been submitted to the General Assembly and the Governor's office. At the Commission's request, a transmittal letter summarizing the key findings in the report and outlining the issues posed by each proposed mandate was mailed along with the report. This year's analysis contained a review of three proposed mandates. The report is posted on the Commission's website.

Facility Quality and Performance

Hospital Performance

Staff continued to work with the Delmarva Foundation in addressing "action items" requested by the Steering Committee members needed to enhance the hospital website as well as a confirmation of a work plan and time table for the "roll-out" of the updated and revised site in June. In addition, a separate meeting was convened with Delmarva to verify the status of contract deliverables year-to-date, review related expenses incurred, and discuss needed revisions in the SOW for the balance of

the contract year. Delmarva staff is to provide a revised work plan and expenditure projection based upon the work requested by MHCC staff.

Nursing Home Performance

Staff reviewed and approved the changes in the pilot Nursing Home Family Satisfaction Survey requested of the survey contractor (Market Decisions). Copies of the state-wide report as well as copies of each facilities individual survey results will be mailed to the MHCC in early March. A workshop is scheduled for March 13th that is open to all Maryland nursing facilities to review the pilot survey process, aggregated results, and solicit feedback from the facilities on ways to improve the survey process. The results of the pilot survey will. Provide MHCC with base-line data and information that can be used to assist in the planning and preparation of future comparative performance data of Maryland nursing homes.

HMO Quality and Performance

Distribution of 2005 HMO Publications

Cumulative distribution: Publications released 10/6/05	10/6/05—1/31/06	
	Paper	Web-based
Measuring the Quality of Maryland HMOs and POS Plans: 2005 Consumer Guide (25,000 printed)	18,957	Downloads =783
2005 Comprehensive Performance Report: Commercial HMOs & Their POS Plans in Maryland (600 printed)	587	Downloads = 447

9th Annual Policy Issues Report (2005 Report Series) –

Released January 2006; distribution ends January 2007

Maryland Commercial HMOs & POS Plans: Report to Policy Makers (800 printed)	518	Downloads = 95
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Distribution of Publications

Division staff responded to a variety of requests received in February as a result of outreach activities to academic and public libraries during the prior month. Branch libraries across the state replenished their depleted inventories of the 2005 *Consumer Guide* for patron distribution. More than 1600 copies of the *Consumer Guide* have been distributed in the first two months of this year.

MHCC also replenished its inventory of *Performance Evaluation Reports* bookmarks. Large distributions made during the scheduled fall and winter mailings exhausted the supply on hand. The bookmarks are used to inform consumers about the availability of HMO, nursing home, hospital, and ambulatory surgery performance evaluation guides. They include a short description of each of the evaluation guides produced by the Commission and tell consumers how to obtain them.

2006 Performance Reporting: HEDIS Audit and CAHPS Survey

HEDIS Audit Activities

HealthcareData.com (HDC), the audit contractor, has many audit activities in progress including: clinical measure code review, examination of baseline information, preparation for onsite interviews, and completion of planning sessions for six plans. Staff has reviewed six of the seven assessment documents completed by the plans reporting in 2006. This foundational document is an extensive overview of operations and information systems. The completeness and adequacy of the information provided has varied. Staff will continue working with the contractor and plans to resolve any deficiencies.

HDC's auditors have submitted their selections for review of a core set of measures that will undergo a multi-phase examination. After considering each plan's review and experiences with data collection in the prior year, MHCC adjusted the core sets and gave approval for the next phase of review to proceed.

Progress continues with the newly implemented validation method, test deck analysis, an automated method of validating programming code. All but one plan has received NCQA certification for the measure *Colorectal Cancer Screening*. The second measure subjected to this audit technique is *Use of Appropriate Medications for People with Asthma*; four plans have completed the approval process. This audit step assures that plans' programming code, the code that is used to generate a measure's rate, has been written correctly.

PPO Quality Reporting Pilot Project

Activities to study the feasibility of PPO quality reporting, the *PPO Quality Performance Evaluation System Pilot Project*, began in January. As reported in January, Division staff developed a nine-month work plan for the implementation of this project. Representatives of Maryland PPO plans have been contacted and a conference call scheduled for March. During this meeting the exchange of ideas will center on plan perspective on potential benefits, barriers, policy implications, burden of reporting, and any current activity by individual plans to assess PPO quality. Staff commenced with drafting preliminary goals, objectives, and working definitions that will undergo further modification during the working sessions.

CAHPS Survey

The Myers Group, the survey contractor, completed during February the first and second mail waves of a four-wave methodology. MHCC staff was seeded for these mailings to monitor adherence with the schedule. Several issues arose during this early phase in survey administration. Quality audit steps have been intensified and the seed mailing address has been changed as preliminary responses to the issues experienced during the early fielding period.

Proposed Changes to HEDIS 2005

The HMO Quality and Performance Division received notification of NCQA's public comment period asking for commentary on the proposed changes to HEDIS 2007. Three new measures applicable to commercial HMOs have been proposed: Comprehensive Diabetes Care—Blood Pressure Controlled (<135/85 mmHg), Comprehensive Diabetes Care—HbA1c (< 7.0), and

Relative Resource Use for Chronic conditions and Acute Conditions. Changes have also been proposed for 13 measures currently included in HMO reporting requirements for 2006. The suggested changes integrate the latest clinical guidelines developed by leaders in various medical fields and guidelines developed by federal agencies. Staff will examine the changes and comment as appropriate by the March deadline.

Report Development

The *State Employee Guide* will be released in May in to coincide with the new enrollment period for state employees. Staff has completed rewrites and instructed the report development contractor, NCQA, on layout and content changes. The Division of Employee Benefits has been consulted regarding the state content.

Other activities

HMO Division staff assisted in the compilation of an operations manual that will include processes and deliverables for all divisions of Performance and Benefits. The HMO Quality & Performance Division is the first to complete this detailed document on its program responsibilities.

Staff met several times with the Diabetes Coalition members to finalize the goals, objectives, and narrative for the statewide diabetes health plan. A contractor will perform final edits and layout for report publication. A spring release is anticipated.

Special Projects

Revalidation Initiative

Recruitment activities for focus group feedback are in progress. The purpose of the focus groups is to gather information about the processes and sources of information consumers use to make decisions about health care and the role played by healthcare facility performance reports in their decision making. Three groups will be convened: one group will discuss acute care hospitals/ambulatory surgical facilities, a second group will discuss HMO/POS plans, and a third group will discuss long term care facilities. The goals of recruitment are to find individuals representing diversity among demographic variables and their experience using the guides. Production of a guide to focus the discussion of each group is also in progress.

Literature and internet searches to identify appropriate quality measures for inclusion in each performance guide is continuing.

HEALTH RESOURCES

Certificate of Need

Division staff issued eleven determinations of non-coverage by Certificate of Need (CON) review during February.

Hospital Capital Expenditures in Excess of Threshold*

Frederick Memorial Hospital: \$11,820,830

Purpose: Relocation and fit-out of space for inpatient pharmacy, wound care and diabetes education; replacement of furnishings and furniture; addition of MRI services; and replacement of imaging equipment

Frederick Memorial Hospital, Frederick, (Frederick County): \$4,700,000

Purpose: Expand and replace the information system at the hospital

* These projects do not require CON review and approval because the facility has pledged to not seek a rate adjustment for the capital costs of the project of more than \$1,500,000

Acquisition of an Existing Health Care Facility

Ivy Hall Geriatric Center of Baltimore County, Baltimore, (Baltimore County)

Facility Type: 130-Bed Comprehensive Care Facility

Acquiring Entity: American Senior Living Communities, MD I, LLC.

Purchase Price: \$10,500,000

HealthSouth Montgomery Surgery Center, Rockville, (Montgomery County)

Facility Type: 4-Operating Room Freestanding Ambulatory Surgical Facility

Acquiring Entity: Surgical Care Affiliates, Inc., a wholly owned subsidiary of HealthSouth Corp.

Purchase Price: Transfer of 51% interest from MDIPA Surgicenter, Inc.

Temporary Delicensure of Bed Capacity or a Health Care Facility

The Transitional Care Unit at Holy Cross Hospital, Silver Spring (Montgomery County)

Change: Closure of the 20-bed transitional care unit at the hospital and temporary delicensure of the 20 comprehensive care facility (CCF) beds for a period of one year, effective February 24, 2006.

Randallstown Center, Randallstown (Baltimore County)

Change and Planned Change: Relicensure of 10 temporarily delicensed CCF beds and submission of a Letter of Intent for the relocation of 35 remaining temporarily delicensed beds.

Lorien Nursing and Rehabilitation Center, Columbia (Howard County)

Planned Change: Submission of a Letter of Intent for the relocation of 60 temporarily delicensed CCF beds to a facility to be constructed in Howard County.

Ambulatory Surgical Facilities

Women's Health Ambulatory Care Center, LLC, Rockville (Montgomery County)

Establish an ambulatory surgery center with one non-sterile procedure room

Miscellaneous Determinations of Non-Coverage

Howard L. Schultheiss Surgery Center, Bel Air (Harford County)

Addition of Jenny Nguyen, M.D. as a surgeon at the facility

Seidenberg Protzko Surgery Center, Aberdeen (Harford County)

Change of Address by the U.S. Postal Service

Snow Hill Nursing and Rehabilitation Center, Snow Hill, (Wicomico County)

Expenditure of \$10,500 for relocation of the physical therapy department.

Acute and Ambulatory Care Services

At the November 22, 2005 meeting, the Commission adopted Supplement 5 to the State Health Plan for Acute Inpatient Services as proposed permanent regulations. The purpose of Supplement 5 was to delete obsolete standards and outdated material and make technical corrections. Notice of this action was published in the January 6, 2006 *Maryland Register*. The public comment period closed on February 7, 2006. In response to the proposed changes, comments were received from Adventist HealthCare, Holy Cross Hospital, MedStar Health, and Suburban Hospital.

Long Term Care Services

The subacute care regulations (COMAR 10.24.05) were developed in 1995 in order to create a limited subacute care bed pool for hospitals to develop hospital-based skilled nursing facilities. The regulations were intended to sunset after three conditions were met: a) a final report has been issued by the Commission; b) criteria and standards to guide future development of subacute care have been incorporated into the State Health Plan; and c) appropriate provision for the collection of data needed by the Commission on an ongoing basis has been made. Since these conditions were met, these regulations were brought to the Commission at its December 15, 2005 meeting. At that meeting, the Commission took action to repeal these regulations, consistent with the sunset provisions.

Notice of this action was published in the January 20, 2006 issue of the *Maryland Register*. The comment period on this action closed on February 22, 2006; no comments were received during this comment period. These regulations will be taken to the March 15, 2006 Commission meeting for final action.

One component of the above-mentioned regulations is the ability to collect data on the provision of subacute care. With the repeal of the subacute care regulations, the Commission will discontinue its subacute care survey. Staff of the Long Term Care Division have met with Staff of the Division of Data Systems and Analysis to address this issue. As a result, data will be obtained from Medpar and from additional questions on Part I of the Commission's Long Term Care Survey.

On February 23, 2006, Staff of the Long Term Care Division participated in a conference call with the representatives of Lifespan, Health Facilities Association of Maryland, Medicaid, and the Department of Health and Mental Hygiene to discuss draft regulations for HB 1047, which passed during the 2005 legislative session. This legislation creates a capital grants program within the Office of Capital Planning (DHMH) for nonprofit nursing homes to convert nursing home beds to other uses. The nursing home associations are currently planning information sessions to alert their membership about these regulations.

On February 16, 2006, Staff participated, by phone, in a survey from Leslie Hendrickson of the Rutgers Center for State Health Policy. Mr. Hendrickson is doing research on how states are using the federal minimum data set (MDS) for various policy purposes. Most states use MDS data for reimbursement or quality assessment. He was interested to know that Maryland has been using MDS data for planning and policy work. We will try to obtain the results of his survey when the work is completed.

Specialized Health Care Services

The Commission has docketed applications for a primary percutaneous coronary intervention (PCI) waiver from the following hospitals in the Baltimore Metropolitan Regional Service Area: Franklin Square Hospital Center, Baltimore Washington Medical Center, Howard County General Hospital, Anne Arundel Medical Center, Johns Hopkins Bayview Medical Center, Mercy Medical Center, and St. Agnes Hospital. Notice of the docketing will be published in the March 17th issue of the *Maryland Register*. Each hospital participated in the Cardiovascular Patient Outcomes Research Team (C-PORT) primary angioplasty project and is currently providing primary PCI under an interim waiver granted by the Commission.

HEALTH INFORMATION TECHNOLOGY

Staff submitted a response to a Request for Proposals (RFP) issued by RTI International (RTI) and the National Governors Association (NGA). The purpose of the RFP is to examine privacy and security policies and business practices regarding electronic health information exchange. The subcontract calls for funding of up to 40 individual state projects that will assess how privacy and security laws and business practices affect the exchange of interoperable electronic health information. The Governor designated MHCC as the lead State agency in applying for the subcontract. RTI is scheduled to announce its selection of subcontractors and funding awards in early April. The subcontract is for a period extending from April 24, 2006 through March 30, 2007. Contract award amounts will vary by state and range from \$150,000 to \$350,000.

Last month staff worked with the Chair and Vice Chair from the Task Force to Study Electronic Medical Records (Task Force) to develop an action plan for the Task Force. The Chair will present a strategy for completing work required by the Task Force at the March 6th meeting. The Task Force is required to study electronic health records, and the current and potential expansion of electronic health record utilization in the state. The Task Force met for the first time in late January to review legislative requirements and elect a Chair and Vice Chair.

The MHCC continued in its development efforts of a clinical data sharing utility Request for Proposals (RFP) that would link key health care providers and payers in several different regions, and enable the exchange of selected administrative and clinical information. This is a collaborative project by the MHCC and HSCRC to identify up to three vendors to design the governance, business model, architecture, policies, and practices of a statewide regional health information organization, or RHIO. The MHCC plans to submit a draft RFP to the Department of Budget and Management in early April. MHCC targets an industry release date for around mid-July.

EDI Services

The draft *2005 Dental EDI Review* is scheduled for industry review in March. Staff expects to release the final version in late April. Initial findings reflect an increase in dental EDI share by almost 4 percent. Staff has made significant strides in working with dental payers and providers to increase EDI shares over the last year. This will be the second year staff released findings related to dental EDI. A number of dental providers and payers have commented on the usefulness of the resource guide. The *2005 Dental EDI Review* is viewed as a unique source of payer-reported EDI dental information.

Staff convened several stakeholder meetings with representatives from the EDI/HIPAA Workgroup to address issues surrounding the implementation of the HIPAA National Provider Identifier (NPI). The NPI will replace legacy provider identifiers assigned to providers by payers. The NPI is the only provider identifier permitted on electronic transactions beginning May 23, 2007. Most claim adjudication systems today are driven by legacy provider identifiers, with many providers having multiple provider numbers. Staff has been working with stakeholders to develop resource tools aimed at helping providers implement the NPI.

Electronic Health Network Services

Surescripts, an e-prescribing electronic health network (EHN) has been granted EHNAC candidacy status and is finalizing their MHCC-EHN Certification application. RxHub, another e-prescribing EHN, anticipates completing EHNAC and MHCC candidacy requirements by May. Staff plans to explore certification interests with several other e-prescribing EHNs in March. NaviMedix, a Massachusetts-based EHN, expects to finalize their MHCC EHN application later this month. Staff plans to present Passport Communications, for recertification, and M Transactions Services, currently in MHCC-EHN candidacy status to the Commission at the April meeting.

Staff forwarded modifications to COMAR 10.25.07 Electronic Health Network Certification to the Commission's counsel for review. Staff anticipates presenting a draft of the proposed modification at the April Commission meeting.

Trauma Fund

Trauma physicians and trauma centers can submit an application to the Maryland Physician Service Trauma Fund (Fund) in January and July. During the January reporting period, uncompensated care and on call payments totaled approximately \$3.5 million. Demand of the Fund has increased by nearly 13 percent over the last six months. MHCC received 49 uncompensated care applications during this reporting period as compared to 44 applications in the prior reporting period. On call applications accounted for about 55 percent of total distribution, while uncompensated care applications accounted for about 45 percent. Staff forward approved applications to the Office of the Comptroller for issuance of a check. Applicants can expect to receive funds in early April.

Participation in the Fund continues to increase. A comparison between January 2006 and the July 2005 reporting period indicates that:

- the number of patient services increased by around 36 percent,
- total Fund disbursements increased by approximately 21 percent,
- uncompensated care disbursements increased about 49 percent, and
- on call disbursements increased about 2 percent.

Last month the Fund's auditor, Clifton Gunderson, reviewed on call applications submitted in January 2005. The auditor identified \$92,000 in adjustments, which were deducted from January 2006 payments. Clifton Gunderson is currently conducting a process review of eleven uncompensated care applications submitted in January 2005.

Survey Collection

The online 2005 Ambulatory Surgery Survey vendor contract was awarded to MetroData. Last month staff worked with the vendor to set up the online survey and complete testing. In April, staff will notify 314 ambulatory surgery centers that they must complete their survey within 90 days. The Ambulatory Surgery Survey provides information on size, medical specialties, and

utilization of ambulatory surgery in all settings. MHCC's Health Resources Division uses this survey information to produce its annual Provider Directory.